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- These were our thoughts on the agency argument.

A principal/agent relationship exists between the account owner and the financial institution. Further, under general principles of agency, the relationship may be revoked unilaterally by the account owner/principal and is terminated on the death of the principal. CJS Agency § 95 (2007). This is the case notwithstanding the existence of any express or implied agreement that the agency is irrevocable, and even though revocation might constitute a breach of contract. Snyder v. Westover, 217 F.2d 928 (9th Cir. 1954); Ireland v. Wynkoop, 36 Colo. App. 205, 539 P.2d 1349 (1975). Because the account owner can terminate the arrangement at any time, the allowable discount, if any, should be limited to the potential damages for breach of contract, which would ordinarily be significantly less than the lack of control minority/marketability discounts claimed.

